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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/601,649	06/24/2003	Lawrence L. Bell		1296

7590 03/02/2009  
Lawrence L. Bell  
18 Farmington Court  
Chevy Chase, MD 20815

EXAMINER
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WEIS, SAMUEL

ART UNIT	PAPER NUMBER
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3695

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PAPER

**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

<b>Office Action Summary</b>	<b>Application No.</b> 10/601,649	<b>Applicant(s)</b> BELL, LAWRENCE L.	
	<b>Examiner</b> SETH WEIS	<b>Art Unit</b> 3695	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

### Status

- 1) ☒ Responsive to communication(s) filed on 07 January 2009.
- 2a) ☐ This action is **FINAL**.                      2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

### Disposition of Claims

- 4) ☒ Claim(s) 1-13 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-13 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All    b) ☐ Some \*    c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

### Attachment(s)

- |  |   |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)          | 4) <input type="checkbox"/> Interview Summary (PTO-413)           |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____                                      |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08)          | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date _____  | 6) <input type="checkbox"/> Other: _____                          |

### **DETAILED ACTION**

1. This is in response to the Applicants' Request for Continued Exam (RCE) filed on January 7, 2009. Claims 1-13 are currently pending. Claims 1, 8, and 15 have been amended. Claims 1-13 have been examined.

#### ***Continued Examination Under 37 CFR 1.114***

2. A request for continued examination under 37 CFR 1.114, including the fee set forth in 37 CFR 1.17(e), was filed in this application after final rejection. Since this application is eligible for continued examination under 37 CFR 1.114, and the fee set forth in 37 CFR 1.17(e) has been timely paid, the finality of the previous Office action has been withdrawn pursuant to 37 CFR 1.114. Applicant's submission filed on October 8, 2008 has been entered.

#### ***Claim Rejections - 35 USC § 101***

3. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

4. Claims 1-5 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

Claims 1-5 recite a process comprising the steps of identifying, retrieving, computing, establishing, purchasing, enabling, creating, and allowing. Based on Supreme Court precedent, a proper process must be tied to another statutory class or transform underlying subject matter to a different state or thing (*Diamond v. Diehr*, 450

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U.S. 175, 184 (1981); *Parker v. Flook*, 437 U.S. 584, 588 n.9 (1978); *Gottschalk v. Benson*, 409 U.S. 63, 70 (1972); *Cochrane v. Deener*, 94 U.S. 780, 787-88 (1876)).

Since neither of these requirements is met by the claim, the method is not considered a patent eligible process under 35 U.S.C. 101. To qualify as a statutory process, the claim should positively recite the other statutory class to which it is tied, for example by identifying the apparatus that accomplished the method steps or positively reciting the subject matter that is being transformed, for example by identifying the material that is being changed to a different state.

### ***Claim Rejections - 35 USC § 112***

5. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

6. Claims 1-13 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Claims 1 includes the limitation “establishing an asset for FASB or IASB purposes with said spread or gain.” FASB and IASB are standards boards for accounting procedures. The Examiner does not understand what FASB or IASB purposes are.

Claim 1 includes the limitation “enabling under control of said employer said employer to purchase investments through said purchased individual or group life insurance policy.” The Examiner does not understand what or whom is being controlled.

Claims 2-5 and 10-12 are rejected as being dependent upon a rejected base claim.

Claim 6 includes the limitation "a trading unit for enabling under control of said employer said employer to purchase investments through said purchased individual or group life insurance policy." The Examiner does not understand what or whom is being controlled.

Dependent claims 7-9 and 13 are rejected as being dependent upon a rejected base claim.

***Claim Rejections - 35 USC § 103***

7. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

8. Claims 1-13 are rejected under 35 U.S.C. 103(a) as being unpatentable over Knoppes et al., U.S. Pat. No. 5,926,792 (hereinafter, Knoppes), in view of Van Remortel et al., U.S. Pat. No. 5,136,502 (hereinafter, Remortel), in view of DiCresce, U.S. Pat. No. 5,991,744.

As to claim 1, Davis discloses a method for identifying and administering a deferred award plan for the benefit of an employee through a computer system in order to reduce individual income of said employee (Fig. 10), said method comprising the steps of:

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identifying at least one employee of an employer in said deferred award plan (col. 1, lines 28-50);

retrieving financial data related to a deferred compensation plan and to an employee welfare benefit plan corresponding to said identified employee (Fig. 10);

computing a spread or gain associated with said deferred compensation plan (Fig. 12);

purchasing an individual or group life insurance policy having a predetermined benefit, said individual or group life insurance policy combining features of said deferred compensation plan and said employee welfare benefit plan (col. 5, lines 33-54);

enabling under control of said employer said employer to purchase investments through said purchased individual or group life insurance policy (col. 1, lines 51-67, claim 3)

creating an asset on the books of the company (Fig. 2A).

Knoppes does not explicitly disclose establishing an asset for FASB or IASB purposes with said spread or gain (§0009). However, Remortel discloses a system for funding, analyzing, and managing health care liabilities including an accounting capability that complies with FASB (accounting standards) (col. 10, lines 41-63). It would have been obvious to one skilled in the art at the time of Applicant's invention to combine Knoppes and Remortel in order to make the method of Knoppes comply with general accounting standards.

Knoppes does not explicitly disclose allowing said employee to borrow funds accumulated in said individual or group life insurance policy up to a limit set forth in an endorsement, said limit reflecting a level of compensation according to said deferred

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compensation plan. However, DiCresce teaches a method and apparatus that processes financial data relating to wealth accumulation plans (abstract). DiCresce lets the employee borrow money based on the life insurance policy that the employer took out on the employee (col. 13, lines 7-33). It would have been obvious to one skilled in the art at the time of Applicant's invention to combine Knoppes and DiCresce in order to give employees more benefits, thus remaining competitive.

As to claim 2, Davis discloses converting said financial data to a deferred award instrument plan format (Fig. 2B).

As to claim 3, Davis discloses converting data related to said deferred compensation to a deferred award instrument plan format (Fig. 2B).

Claims 4-5 were previously shown as admitted prior art. See Final Rejection dated July 9, 2008.

As to claim 6, Davis discloses a system for implementing a deferred award plan (Fig. 10) comprising: a processor; memory operationally attached to said processor; an input device operationally attached to said processor; a display device operationally attached to said processor (Fig. 9);

an identifier for identifying at least one employee of an employer in said deferred award plan (abstract);

a retrieving unit for retrieving financial data related to a deferred compensation plan and employee welfare benefit plan (Fig. 10);

a processor for computing a spread or gain associated with at least one of said deferred compensation and said employee welfare benefit plans (Fig. 9 and 12);

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an asset establishment unit for establishing an asset on the company books with said spread or gain (Fig. 10);

purchasing unit for purchasing an individual or group life insurance policy having a predetermined benefit (Fig. 10);

a trading unit for enabling under control of said employer or employee said employee to purchase stock or other investments through said purchased life insurance benefit (Fig. 10);

an executing unit for executing a co-ownership endorsement Fig. 10).

Knoppes does not explicitly disclose a loan unit allowing said employee to borrow funds accumulated in said life insurance policy up to a limit set forth in said co-ownership endorsement said limit reflecting said employee's deferred compensation or asset accumulation. However, DiCresce teaches a method and apparatus that processes financial data relating to wealth accumulation plans (abstract). DiCresce lets the employee borrow money based on the life insurance policy that the employer took out on the employee (col. 13, lines 7-33). It would have been obvious to one skilled in the art at the time of Applicant's invention to combine Knoppes and DiCresce in order to give employees more benefits, thus remaining competitive.

As to claim 7, Davis discloses a converter for converting said deferred compensation data to a deferred award instrument plan format (Fig. 2B).

As to claim 8, Davis discloses a second converter for converting said human resource data to a deferred award instrument plan format (Fig. 2B).



As to claims 9 and 10, Davis discloses wherein said employee welfare benefit plan is an employee welfare benefit plan (Fig. 10).

As to claim 11, Davis discloses wherein estate taxes of said employee are reduced (col. 1, lines 28-50).

As to claim 12, Davis discloses allowing said employer to borrow funds accumulated in said individual or group life insurance policy (Fig. 10).

As to claim 13, Davis discloses wherein said loan unit allows said employer to borrow funds accumulated in said life insurance policy (Fig. 10).

### ***Response to Arguments***

9. Applicant's arguments with respect to claims 1-13 have been considered but are moot in view of the new ground(s) of rejection.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to SETH WEIS whose telephone number is (571)272-1882. The examiner can normally be reached on 8:30 to 5, Monday - Friday.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Charles Kyle can be reached on (571) 272-6746. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

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Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/SETH WEIS/  
Examiner, Art Unit 3695

/Charles R. Kyle/  
Supervisory Patent Examiner, Art Unit 3695

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